

16-6a-1402 Dissolution by directors and members.

- (1) If a nonprofit corporation has members, dissolution of a nonprofit corporation may be authorized in the manner provided in Subsection (2).
- (2) For a proposal to dissolve the nonprofit corporation to be authorized:
 - (a) the board of directors shall adopt the proposal to dissolve;
 - (b) the board of directors shall:
 - (i) recommend the proposal to dissolve to the members; or
 - (ii)
 - (A) determine that because of a conflict of interest or other special circumstance, it should make no recommendation; and
 - (B) communicate the basis for its determination to the members; and
 - (c) the members entitled to vote on the proposal to dissolve shall approve the proposal to dissolve as provided in Subsection (5).
- (3) The board of directors may condition the effectiveness of the dissolution, and the members may condition their approval of the dissolution, on any basis.
- (4)
 - (a) The nonprofit corporation shall give notice, in accordance with Section 16-6a-704, to each member entitled to vote on the proposal of the members' meeting at which the proposal to dissolve will be voted on.
 - (b) The notice required by Subsection (4)(a) shall:
 - (i) state that the purpose, or one of the purposes, of the meeting is to consider the proposal to dissolve the nonprofit corporation; and
 - (ii) contain or be accompanied by a copy of the proposal or a summary of the proposal.
- (5) The proposal to dissolve shall be approved by the votes required by Sections 16-6a-714 and 16-6a-715 by every voting group entitled to vote on the proposal to dissolve unless a greater vote is required by:
 - (a) this chapter;
 - (b) the articles of incorporation;
 - (c) bylaws adopted by the members; or
 - (d) the board of directors acting pursuant to Subsection (3).
- (6) The plan of dissolution shall indicate to whom the assets owned or held by the nonprofit corporation will be distributed after all creditors have been paid.

Enacted by Chapter 300, 2000 General Session